

OUTGOING TELEGRAM Department of State

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IT-45
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Origin	ACTION: Amembassy LISBON	PRIORITY	22 JAN 69 00 03
Info:	INFO: Amembassy ROME	DEPARTMENT OF STATE A/CDC/MR	
	STATE	REVIEWED BY <i>[Signature]</i>	DATE 25 MAY 1982
	SUBJECT: GivAir Negotiations with Italy	RDS ☐ or XDS ☐ EXT. DATE	
	REFERENCE: State 006509	TS AUTH. <i>IT-45</i>	REASON(S)
	Lisbon for Meadows	ENFORCE EXISTING MARKINGS ☐	
	1. Substantive portions of letter Santini to Meadows dated	DECLASSIFIED ☐ RELEASABLE ☒	
		RELEASE DENIED ☐	
		PA or FOI EXEMPTIONS	

January 11, referred to ref tel, reads as follows (informal translation):

"First problem which I would like dwell upon, which unexpectedly raised by American delegation--although for Italian delegation that subject was believed to have been taken care of on the basis of agreements reached in preliminary discussions, is that of multiple designation.

"Let me repeat that on Italian side considerable efforts were made to arrive at affirmation of present situation, that is to continuation by two American carriers of combination and 'all-cargo' services and by one carrier for only 'all-cargo' services.

"As you may know, original Italian position was each side should designate only one carrier. Subsequent acceptance

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Clearances:

EUR/AIS - Mr. Blake *[Signature]*

GAB - Mr. Scubilia *[Signature]*

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of the actual situation has represented great concession in favor of US and has involved noteworthy sacrifice. With that concession we desired demonstrate the Italian willingness to reach agreement.

"I would like go bit deeper into this question, which had arisen according to clarifications made in course of last conversations, as result of introduction in Italian routes of points in US of Atlanta and Dallas, in the sense that concession of such points by American Government could not be denied to US carrier which might request it. Italian Delegation replied that for Atlanta and Dallas it was also possible to designate one of three carriers already operating to Italy.

"However, opportune to clarify in any case, that Italian request for Atlanta and Dallas was born of fact that US had set forth difficulties regarding concessions to Italy of route concession to Italy of route via Montreal, Chicago, Los Angeles, Tokyo, and beyond.

"I want add that alternative of concessions of Atlanta and Dallas presented in course of prenegotiations constitute a change in original position seeking to balance fit h freedom rights of two parties.

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"I have wanted to remind you of the other solutions proposed before in order to clarify that solution of Atlanta/Dallas has come to represent a compromise, and to reconfirm with utmost frankness that on problem of designations it is absolutely not possible for Italy to make further concessions outside the recognition of the actual status.

"The other problem dealt with by you is that regarding 'all-cargo' services for which you state that you do not see other solutions to dilemma other than that 'in the long term' they should fall within the scope of the agreement.

"In substance, US side has felt obliged to agree that, for certain period of time, it is impossible to apply bilateral agreement to 'all-cargo' services. In these circumstances I do not see why there could not be accepted compromise proposal presented by Italian Delegation of establishing for certain period provisional basis for exercise of 'all-cargo' with annual settlement of such services in light of requirements of cargo traffic. At end of that period, experience of both sides could indicate most ideal solution, not excluding possible application of agreement if that is considered most suitable one to satisfy needs of such traffic.

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"I believe useful to give you in addition the fundamental reasons that justify the Italian position.

"US airlines operate in general on Bermuda principle, which permits full exploitation of various stops; Italian carrier is limited in its own operations by principle of predetermination wanted by all other countries. It results that services effectuated by the US carriers are operated without limitations on various traffic sectors, while those effectuated on same sectors by Italian carrier are rigidly predetermined on capacity and on frequencies.

"You have told me in advance of new letter following from studies presently under way by American authorities, and remain in waiting for it, with earnest hope that new elements which I am supplying this letter will be of benefit for formulation of solutions which will take into account efforts made on Italian side to reach desired agreement.

"I maintain that, taking into due account the above reasoning, the resumption of meetings can take place, as scheduled, on February 3, to reach agreement to eliminate imbalance of present operations, which cannot from an objective point of view be prolonged, purely to the injury of Italian side; keeping in mind that obviously, in absence of an agreement and with the provisional regime continuing thus, reciprocal

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concessions will have to be balanced, as was already stated
in last sentence of Promemoria of Ministry of Foreign Affairs."

2. Comments following septel.

END

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